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प्रकाशरण

EXTRAORDINARY

भाग II—खण्ड 3—उपखण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या की जाती है जिससे कि यह ग्रन्थ संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION

(Department of Labour and Employment)

NOTIFICATION

New Delhi, the 4th March 1971

G.S.R. 315.—In exercise of the powers conferred by section 6A of the Employees' Provident Funds and Family Pension Fund Act, 1952 (19 of 1952), the Central Government hereby makes the following Scheme, namely:—

1. Short title, commencement and application.—(1) This Scheme may be called the Employees' Family Pension Scheme, 1971.

(2) The provisions of this Scheme shall be deemed to have come into force on the 1st day of March, 1971.

(3) Subject to the provisions of sub-section (2) of section 16 of the Employees' Provident Funds and Family Pension Fund Act, 1952, this Scheme shall apply to the employees of all factories and other establishments to which the said Act applies or is applied under sub-section (3) or sub-section (4) of section 1 thereof, except factories and other establishments which provide for their employees a family pension at a scale which, in the opinion of the Central Government, is on the whole not less favourable than that provided under this Scheme.

2. Definitions.—In this Scheme, unless the context otherwise requires:—

- (a) 'Act' means the Employees' Provident Funds and Family Pension Fund Act, 1952 (19 of 1952);
- (b) 'family' means—
 - (i) wife in the case of a male member of the Family Pension Fund;
 - (ii) husband in the case of a female member of the Family Pension Fund; and
 - (iii) minor sons and unmarried daughters of a member of the Family Pension Fund.

Explanation.—The expressions "sons" and "daughters" shall include children adopted legally before death in service.

- (c) 'Family pension' means a regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund, in the event of his death during the period of reckonable service;
- (d) 'Form' means a Form appended to this Scheme;
- (e) 'pay' means basic wages, with dearness allowance and retaining allowance, if any, and cash value of food concessions admissible if any;
- (f) 'reckonable service' means service rendered by a member of the Family Pension Fund in respect of which contributions are payable under this Scheme;
- (g) all other words and expressions shall have the meanings respectively assigned to them in the Act or the Employees' Provident Funds Scheme, 1952.

3. Membership of the family pension fund.—Subject to sub-paragraph (3) of paragraph 1, this Scheme shall apply to every employee—

- (a) who becomes a member of the Employees' Provident Fund or of Provident Funds of factories and other establishments exempted under section 17 of the Act on or after the 1st day of March, 1971;
- (b) who has been a member of the Employees' Provident Fund or of Provident Funds of factories and other establishments exempted under Section 17 of the Act immediately before the commencement of this Scheme and opts to exercise his option under paragraph 4.

4. Option for joining this Scheme.—(1) Every employee who is a member of the Employees' Provident Fund or of Provident Funds of factories and other establishments exempted under section 17 of the Act, immediately before the commencement of this Scheme, shall have the option to join this Scheme.

(2) The option referred to in sub-paragraph (1) shall be exercised in Form I within a period of three months from the 1st day of March, 1971.

(3) It shall be the duty of every employer to get the option referred to in sub-paragraph (1) exercised by every member to whom the option is given within the time specified in sub-paragraph (2).

5. Regional Committee.—The Regional Committee set up under paragraph 4 of the Scheme shall advise the Central Board, on such matters, in relation to the administration of this Scheme, as the Central Board may refer to it from time to time and in particular, on—

- (a) progress of recovery of contributions, under this Scheme, both from factories and establishments exempted under section 17 of the Act and other factories and establishments covered under the Act;
- (b) expeditious disposal of prosecutions;
- (c) speedy settlement of claims relating to family pension and other benefits under this Scheme.

6. Retention of membership.—A member of the Family Pension Fund shall continue to be a member of the Family Pension Fund till he attains the age of 60 years or till he retires or quits the service and withdraws or becomes entitled to withdraw the benefits to which he is entitled under this Scheme or dies during the period of reckonable service, whichever is the earliest.

7. Resolution of doubts.—If any question arises whether an employee is entitled to become a member of the Family Pension Fund, the decision thereon of the Regional Commissioner shall be final:

Provided that no decision shall be given unless both the employer and the employee have been heard.

8. Special grant by Central Government.—The Central Government shall meet the entire cost of the administration of this Scheme. For this purpose, the Central Government shall pay, in addition to the contribution specified in paragraph 9 such further sums as may be determined by it under section 6B of the Act in consultation with the Commissioner, into the Family Pension Fund to meet the expenses such as pay, allowances, contingent expenditure, gratuities and compassionate allowance, pensions and contributions to provident fund and other benefits payable or admissible to the staff and officers employed either wholly or partly for the administration of this Scheme. The Central Government shall also meet the proportionate expenses of capital nature as also pro-rata share of the expenses incurred in connection with the Central Board of Trustees or Regional Committee's work or both as may be properly chargeable to the administration of this Scheme. Such payment shall be made in such manner as may be prescribed by the Central Government in consultation with the Central Board.

9. Family pension fund.—(1) From and out of the contributions paid by the employer and the employee, each month under section 6 of the Act a part of the contribution representing 1-1/6 per cent of the employee's pay along with an equivalent amount of 1-1/6 per cent from and out of the employer's contribution shall be separately earmarked by each Regional Commissioner and credited to the Family Pension Fund.

(2) The Central Government shall also contribute at the rate of 1-1/6 per cent of the pay of the members of the Family Pension Fund and credit the contribution to the Family Pension-cum-Life Assurance Fund in the Public Account of the Government of India.

(3) The contributions payable under sub-paragraphs (1) and (2) shall be calculated on the basis of the basic wages, dearness allowance (including the cash value of any food concession) and retaining allowance, if any, actually drawn during the whole month whether paid on daily, weekly, fortnightly or monthly basis.

(4) Each contribution payable under sub-paragraphs (1) and (2) shall be calculated to the nearest quarter of a rupee, 12.5 paise or more to be counted as the next higher quarter of a rupee.

10. Payment of contribution.—(1) The employer shall, in the first instance, pay both the contribution payable to the Family Pension Fund by himself and also, on behalf of the member of the Family Pension Fund employed by him directly or by or through a contractor, the contribution payable to the Family Pension Fund by such member.

(2) In respect of employees employed by or through a contractor, the contractor shall recover the contribution payable to the Family Pension Fund by such employees and shall pay to the principal employer the said amount together with an equal amount of contribution payable to the Family Pension Fund by the employer.

(3) It shall be the responsibility of the principal employer to pay both the contribution payable to the Family Pension Fund by himself in respect of the employees directly employed by him and also in respect of the employees employed by or through a contractor.

11. Employer's share not to be deducted from the Members.—Notwithstanding any contract to the contrary, the employer shall not be entitled to deduct the employer's contribution payable to the Family Pension Fund from the wage of a member of the Family Pension Fund or otherwise to recover it from him.

12. Recovery of a member's share of contribution.—(1) The amount of contribution paid by the employer or a contractor on behalf of a member of the Family Pension Fund shall, notwithstanding the provisions in this Scheme or any law for the time being in force or any contract to the contrary, be recoverable by means of deduction from the wages of the member of the Family Pension Fund and not otherwise:

Provided that no such deduction may be made from any wage other than that which is paid in respect of the period or part of the period in respect of which the contribution to the Family Pension Fund is payable:

Provided further that the employer or a contractor shall be entitled to recover the employee's share from a wage other than that which is paid in respect of the period for which the contribution to the Family Pension Fund has been made or is payable where the employer has in writing given a false declaration at the time of joining service with the said employer or a contractor that he was not already a member of the Family Pension Fund:

Provided further that where no such deduction has been made on account of an accidental mistake or a clerical error, such deduction may, with the consent in writing of the Inspector, be made from the subsequent wages.

(2) Deductions made from the wages of a member of the Family Pension Fund paid on daily, weekly or fortnightly basis should be totalled up to indicate the monthly deductions.

(3) Any sum deducted by an employer from the wage of an employee under this Scheme shall be deemed to have been entrusted to him for the purpose of paying the contribution to the Family Pension Fund in respect of which it was deducted.

13. Particulars to be supplied by persons already employed at the time of the commencement of the Family Pension Fund.—Every person who is entitled to become a member of the Family Pension Fund shall be asked forthwith by his employer to furnish and shall, on such demand, furnish to him, for communication to the Commissioner, particulars concerning himself and his family in Form 2.

14. Preparation of Contribution Cards.—The employer shall prepare a Family Pension Fund contribution card, in respect of every employee in his employment who has become a member of the Family Pension Fund.

15. Duties of employers.—(1) Every employer shall send to the Commissioner, within fifteen days of the commencement of this Scheme, a consolidated return of the employees entitled to become members of the Family Pension Fund showing the basic wage, retaining allowance, if any, and dearness allowance including the cash value of any food concession paid to each of such employees:

Provided that if there is no employee who is entitled to become a member of the preceding month, the employer shall send a 'NIL' return.

(2) Every employer shall send to the Commissioner within fifteen days of the close of each month a return of the employees leaving service of the employer during the preceding month:

Provided that if there is no employee leaving service of the employer during the preceding month, the employer shall send a 'NIL' return.

(3) Every employer shall maintain an inspection note book for an Inspector to record his observations on his visit to the establishment.

(4) Every employer shall maintain such accounts in relation to the amounts contributed to the Family Pension Fund by him and by his employees as the Central Board may, from time to time, direct and it shall be the duty of every employer to assist the Central Board in making such payments from the Family Pension Fund to his employees as are sanctioned by or under the authority of the Central Board.

(5) Notwithstanding anything hereinbefore contained in this paragraph, the Central Board may issue such directions to the employers generally as it may consider necessary or proper for the purpose of implementing this Scheme, and it shall be the duty of every employer to carry out such directions.

16. Employer to furnish particulars of ownership.—Every employer in relation to a factory or other establishment to which the Act applies or is applied hereafter shall furnish to the Regional Commissioner, particulars of all the branches and departments, owners, occupiers, directors, partners, managers or any other person or persons who have the ultimate control over the affairs of such factory or establishment and also send intimation of any change in such particulars, within fifteen days of such change, to the Regional Commissioner, by registered post.

17. Duties of contractors.—Every contractor shall, within seven days of the close of every month, submit to the principal employer a statement showing the recoveries of contributions to the Family Pension Fund in respect of employees employed by or through him and shall also furnish to him such information as the principal employer is required to furnish under the provisions of this Scheme to the Commissioner.

18. Allotment of account numbers.—(1) For the purposes of this Scheme, the members of the Family Pension Fund shall retain the account numbers, if any, allotted to them under the Scheme. If there is no such number, fresh numbers will be allotted by the Commissioner.

(2) Separate Account numbers will be allotted to such members of the Family Pension Fund employed in a factory or establishment exempted under section 17 of the Act as are covered by this Scheme.

19. Declaration by persons taking up employment after the fund has been established.—The employer shall before taking any person into employment, ask him to state in writing whether or not he is a member of the Family Pension Fund and if he is, ask for his account number and the name and particulars of the last employer. If he is unable to furnish the account number, he shall require such person to furnish and such person shall, on demand furnish to him for communication to the Commissioner, particulars regarding himself and his family in Form No. 2.

20. Administration account.—A separate account shall be kept, called the "Family Pension Administration Account", for the recording of all the administrative expenses of the Family Pension Fund.

21. Family Pension-cum-Life Assurance Fund Account.—The aggregate amount received as the employers and the employees' contributions and also the Central Government's contributions to the Family Pension Fund including the contributions made by the Central Government under Section 6-B of the Act towards meeting the administrative expenses involved in the implementation of this Scheme shall be credited to an account called the "Family Pension-cum-Life Assurance Fund Account."

22. Investment.—(1) All moneys belonging to or standing to the credit of the Family Pension Fund Account shall be kept in deposit with the Central Government in the Public Account.

(2) The Central Government shall allow interest at the rate not less than 5½ per centum per annum.

23. Disposal of the Fund.—(1) All payments on account of family pension and other benefits under this Scheme shall be chargeable against the said Account.

(2) Subject to the provisions of the Act and this Scheme, the Family Pension-cum-Life Assurance Fund Account not including therein the Family Pension Administration Account, shall not except with the previous sanction of the Central Government be expended for any purpose, other than the payment of benefits as may be admissible under this Scheme to the members of the Family Pension Fund or persons belonging to his family.

24. Supply of information to Central Government.—The Commissioner shall furnish such information to the Central Government from time to time in respect of the incomings and outgoings from the Family Pension Fund Account as may be asked for and in such manner as may be directed by the Central Government.

25. Forms of accounts.—The accounts of the Family Pension Fund, including the Family Pension Administration Account, shall be maintained by the Commissioner in such form and manner as may be specified by the Central Board with the approval of the Central Government.

26. Audit.—The accounts of the Family Pension Fund, including the administrative expenses incurred in running this Scheme, shall be audited in accordance with the instructions issued by the Central Government in consultation with the Comptroller and Auditor General of India. The charges on account of such audit shall be paid out of the Family Pension Fund.

27. Maintenance of Family Pension Fund Account.—The account called the "Family Pension-cum-Life Assurance Fund Account" referred to in para 21 shall be opened and maintained by the Commissioner in such manner as may be specified by the Central Board with the approval of the Central Government.

28. Rate of Family Pension.—(1) In the case of a member who being a member of the Family Pension Fund at the age of 25 years or less dies during the period of reckonable service before attaining the age of 60 years, family pension shall be paid at the rates specified in the Table below subject to the condition that he has been a member of the Family Pension Fund for a period of not less than 2 years:—

TABLE

Pay of member per month	Monthly rate of pension
1. Rs. 800 and above	12 per cent of pay subject to a maximum of Rs. 150.
2. Rs. 200 and above but below Rs. 800	15 per cent of pay subject to a maximum of Rs. 96 and minimum of Rs. 60.
3. Below Rs. 200	30 per cent of pay subject to a minimum of Rs. 40.

[Explanation.—If at the time of death during the period of reckonable service, a member was not in receipt of full pay, the rate of full pay last drawn by him during that period shall be taken into account for the assessment.]

(2) Where an employee who has been a member of this Family Pension Fund for a period not less than 7 years dies during the period of reckonable service, the above rate of family pension shall be subject to the following modifications:—

(a) for a period of 7 years from the date of death or till the date on which the member of the Family Pension Fund would have reached the age of 60 years had he remained alive, whichever period is shorter, the family pension payable shall be at 50 per cent of pay last drawn in full subject to a maximum of twice the family pension mentioned in the Table.

(b) The family pension payable after the expiry of the period referred to in clause (a) shall be the same as in the Table.

29. Family Pension to whom payable.—Subject to the provisions of paragraph 28 of this Scheme, the family pension is payable—

(a) to the widow or widower up to the date of death or re-marriage whichever is earlier;

(b) failing (a), to the eldest surviving minor son until he attains the age of 18 years; and

(c) failing (a) and (b), to the eldest surviving unmarried daughter until she attains the age of 21 years or marries whichever is earlier.

The Family Pension shall not be paid to more than one person at a time.

NOTES.—(i) In cases where there are 2 or more widows, family pension shall be payable to the eldest surviving widow. On her death, it shall be payable to the next surviving widow, if any. The term "eldest" would mean seniority with reference to the date of marriage.

(ii) In the event of remarriage or death of the widow or widower, the pension will be granted to the minor children through their natural guardian. In disputed cases, however, payments will be made through a legal guardian.

30. Commencement of Payment of Family Pension.—Family pension shall become payable from the beginning of the month immediately following the month in which a member of the Family Pension Fund dies.

31. Life Assurance Benefits.—Subject to the provisions of paragraph 34 of this Scheme, where a member of the Family Pension Fund dies during the period of reckonable service a lump sum of Rs. 1,000 as life assurance benefit shall be payable to his family in the order indicated in paragraph 29:

Provided that life assurance benefit as stated above shall be payable to entrants who had entered this Scheme at the age of 25 or below.

32. Retirement benefit.—(1) On attaining the age of 60 years, a member of the Family Pension Fund who has contributed to the Family Pension Fund for a period of not less than 2 years shall be paid a lump sum of Rs. 4,000 and thereafter he shall cease to be a member of the Family Pension Fund.

(2) Where a member of the Family Pension Fund to whom any amount has become payable under sub-paragraph (1) dies before the amount has been actually paid to him, the lump sum payment under sub-paragraph (1) shall be payable to a member of his family who would have been entitled to receive family pension under paragraph 29.

33. Withdrawal Benefit.—In the case of cessation of membership from the Family Pension Fund before attaining the age of 60 years for reasons other than death, the following benefit shall accrue to the member of the Family Pension Fund:

Provided that he has paid contribution to the Family Pension Fund for less than 2 years:—

$$\frac{Y - X}{60 - X} \times 4000 \times F \text{ where}$$

X=age of entry.

Y=age at cessation of membership from the Family Pension Fund and

F=a factor depending on the age at cessation of membership from the Family Pension Fund as given in Table I of the Schedule to this Scheme.

In the event of cessation of membership from the Family Pension Fund, before the completion of two years' contributions to the Family Pension Fund, the contributions of the member of the Family Pension Fund credited to the Family Pension Fund together with interest thereon at the rate of 5½ per cent per annum shall be refunded to him.

34. Family Pension and other benefits for members entering Family Pension Fund after attaining age of 25 years.—Where a person becomes a member of the Family Pension Fund after the age of 25 years, the family pension and other benefits shall be payable in accordance with the provisions contained in paragraphs 28, 31, 32 and 33 multiplied by a factor, depending on the age at entry given in Table II of the Schedule to this Scheme. This factor shall apply to all the benefits including the minimum family pension of Rs. 40 per month but shall not apply to the refund of his contribution.

35. Disbursement of Family Pension and other benefits.—The Commissioner shall, with the approval of the Central Board and the Central Government, enter into arrangements for the disbursement of family pension and other benefits under this Scheme with disbursing agencies like Post Offices or Nationalised Banks or Treasuries. The commission payable to the disbursing agencies and other charges incidental thereto shall be met from the portion of Family Pension Fund contributed by the Central Government under section 6B of the Act.

36. Registers records, etc.—The Commissioner shall, with the approval of the Central Board and the Central Government, prescribe the registers and records to be maintained in respect of employees, the form or design of any identity card, token or disc for the purpose of identifying any employee or his nominee or a member of family entitled to receive the family pension and such other formalities as have to be completed in connection with the grant of family pension, and other benefits or for the continuance thereof subject to such periodical verification as may be considered necessary.

37. Power to issue directions.—The Central Government may issue, having regard to the analogous provisions relating to the Family Pension Scheme of the Central Government, such directions as may be deemed just and proper by it for resolving any difficulty in the implementation of this Scheme including difficulties in the matter of disbursement of family pension and other benefits.

38. Miscellaneous.—The Central Board shall cause to be included in the Annual Report on the working of the Scheme prepared under paragraph 74 of that Scheme, a report on the working of this Scheme during the previous financial year.

TABLE II

Age at entry	Factor by which the benefits payable are to be multiplied									
26	0.95
27	0.92
28	0.89
29	0.86
30	0.83
31	0.80
32	0.76
33	0.73
34	0.70
35	0.67
36	0.64
37	0.61
38	0.58
39	0.56
40	0.53
41	0.50
42	0.48
43	0.46
44	0.43
45	0.41
46	0.39
47	0.37
48	0.34
49	0.32
50	0.29
51	0.27
52	0.24
53	0.22
54	0.19
55	0.16
56	0.13
57	0.10

FORM I

Paragraph 4 (2)]

OPTION

- (i) I opt for the Family Pension-cum-Life Assurance benefits for Employees, Provident Fund members introduced under the Labour Provident Fund Laws (Amendment) Ordinance 1971 (No. 3 of 1971) and the Family Pension Scheme framed by the Central Government thereunder as Notified vide Notification No. 16/8/70-PFI dated 4th March, 1971.

(ii) I opt to continue under the existing Employees' Provident Fund benefits as they stood before the amendment of the E.P.F. Act by the Ordinance of 1971 (No. 3 of 1971) admissible under the E.P.F. Scheme, 1952 under the Provident Fund Rules of which
(name of establishment)

is an establishment exempted under section 17 of the Act.

Notes:— Strike out (i) or (ii) or option not applicable in

(ii) as per option.

Witness:—

Signature.....

Signature

E.P.F.A/c. No.

Name in full

Date.....

(In Block letters)

Name in full

Designation

(In Block letters)

Name of the establishment

Designation

exempted/unexempted

Name of the establishment —

unexempted/exempted.....

CERTIFICATE

The provisions of the Family Pension-cum-Life Assurance Scheme were explained to Shri/ Shrimati in my presence and were properly understood by him/her before exercising the above option. It was made explicit to the optee that option once exercised is final and irrevocable.

Signature of the employer or his
authorised official

Name.....
(In Block letters)

Name of the Establishment
Unexempted/Exempted

Code No.

Seal of Establishment

ACKNOWLEDGEMENT

Received from Shri/Shrimati..... A/c. No.....
employed in, an option dated
(Name of establishment)

(i) for the Family Pension-cum-Life Assurance Scheme benefits.

(ii) for the existing Employees' Provident Fund benefits either admissible under the E.P.F. Scheme 1952 or under the Provident Fund Rules of the exempted establishment as the case may be.

Notes:— Strike out (i) or (ii) or option not applicable in (i) as per option.

Signature.....

R.P.F.C.

FORM 2

[Paragraph 13]

Account Number

THE EMPLOYEES' FAMILY PENSION SCHEME, 1971

DECLARATION FORM

1. Name.....Surname
- (In block capitals)
2. Sex.....
3. Nationality
4. Father's/Husband's name
5. Marital status.....
- (whether unmarried, married, widow or widower)
6. Date of birth.....Day.....Month.....Year.....
- (Where exact particulars are not available, approximate age may be indicated in consultation with the Medical Officer of the establishment.)
7. Permanent address :

Village.....Thana

Tehsil/Sub-Division

Post Office.....District

State.....

8. (i) I declare that I have not previously been a member of the Employees' Family Pension Fund.

(ii) I hereby furnish below particulars of the members of my family who would be eligible to receive family pension and Life Assurance benefits in the event of my premature death in service.:-

S. No.	Name and address of the family member	Age	Relationship with the member
1.			
2.			
3.			
4.			

*(iii) I certify that I have no family as defined in para 2 (b) of the Employees' Family Pension Scheme and should I acquire a family hereafter I shall furnish particulars thereof in the above form.

Signature or Left/Right

hand thumb impression of the
member.

*[Delete if not necessary]

To be completed by the employer

Certified that the above declaration has been signed/thumb impressed by Shri/ Shrimati employed in my establishment before me after he/she has read the entry/the entries have been read over to him/her by me and got confirmed by him/her.

Signature of the employer or other
authorised officer of his establishment.

Designation

Name and address of the
establishment

Office seal/stamp

Place

Date

[No. 16/8/70-PF. II]
D. S. NIM, Jt. Secy.